

Exhibit No. 26
Date 4-11-07
Bill No. HB 830

Amendments to House Bill No. 830
2nd Reading Copy

Requested by Senator Carol Williams

For the Senate Finance and Claims Committee

Prepared by Alan Peura
April 19, 2007 (10:43am)

1. Page 18.

Following: line 12

Insert: "Anderson Hall School of Journalism, UM-Missoula (OTO)
500,000" [LRBP]

- END -

Explanation - This amendment adds \$500,000 one-time-only funding from Long Range Building Funds to support equipment and furnishing at the UM-Missoula School of Journalism, Anderson Hall.

This amendment has not been edited.



STATE OF MONTANA
Department of Administration
INFORMATION TECHNOLOGY SERVICES DIVISION



Brian Schweitzer
Governor

To: Senator Carol Williams
From: Dick Clark, Montana State CIO
Date: April 11, 2007

There has been a great deal of confusion regarding ITSD's intentions surrounding the "Northern Tier Network Expansion" and ITSD's relationships with the telecommunications industry in Montana. I hope this clarifies matters on both points.

Today's Network:

- ITSD provides network services across the State by acquiring services from every telecommunications provider in the state. These relationships have served both the State and the industry well for many years.
- ITSD network staff provides day-to-day management of the network in cooperation with those providers, and has done so for many years.

Savings with Northern Tier:

	FY 09-10	FY 11-12	FY 12-13	Total
Capitol Expenditure (OTO)	\$-3,000,000	\$0	\$0	
Operating Costs (ongoing)	\$2,000,000	\$2,000,000	\$2,000,000	
Total	\$-1,000,000	\$2,000,000	\$2,000,000	\$3,000,000

The decision is whether to invest up-front or to pay more through ongoing operating costs.

- Failure to fund these network capabilities jeopardizes the operations of many state offices around the state, particularly those in the Eastern part of the state.
- Prior to the Northern Tier concept, ITSD's network expansion requirements identified \$6.7 million in circuit upgrades, switch equipment upgrades and improved network management software. Note: this includes a vendor-provided upgrade to the existing "backbone" links between Helena and Billings.
- The Northern Tier concept requires an initial capital investment with lower ongoing operating costs.

Agreed Upon Restrictions on the Use of Network Capacity

- ITSD supports Senator Lind's amendment to prohibit subleasing network capacity in competition with the private sector, limits network use to what is allowed by existing law, and requires conformance with State procurement statutes. Backbone service would be obtained by one of two approaches based on the result of a Request For Information (RFI).
 1. Service provided by a telecommunications provider.
 2. Lighting "dark fiber" acquired through the "Northern Tier Network Consortium" relationship with the Northwest Gigapop. Equipment installation and support would be contracted to a telecommunications provider.

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